

Salmon Evolution – Results for the third quarter 2021

Third quarter highlights

- Construction of Phase 1 at Indre Harøy progressing according to plan - on time on budget
- Preparing for first smolt release at Indre Harøy in Q1 2022
- Acquired smolt company Kraft Laks AS, securing in-house smolt for Indre Harøy Phase 1
- Kraft Laks smolt performing well, Indre Harøy March 2022 batch already 200+ gram
- Listing of the company's shares at the main list on Oslo Stock Exchange
- Available liquidity of NOK 1,198 million per 30 September 2021 including committed undrawn credit facilities and adjusted for Cargill USD 5m private placement

Subsequent events

- Entered strategic feed partnership with Cargill, combined with USD 5 million private placement towards Cargill

Since the groundwork at Indre Harøy started in May 2020, Phase 1 has developed according to plan, on time and on budget. Ten out of twelve fish tanks are now assembled, and the remaining two are expected to be completed in Q4 2021. In October Salmon Evolution also successfully installed the two water inlet pipes, and the full intake station is expected to be completed in Q4 2021. The company remains on track for the first smolt release which is scheduled for March 2022.

Total capital expenditures during the quarter were NOK 239 million, of which NOK 230 million were investments related to the turnkey project with Artec Aqua at Indre Harøy. As per 30 September 2021, accumulated capex from project initiation in 2019 amounts to NOK 745 million.

On 16 August 2021 Salmon Evolution announced the acquisition of smolt company Kraft Laks AS ("Kraft Laks"). Kraft Laks currently has an annual production capacity of around 1.8 million smolt but holds licenses to produce up to 5 million smolt per year subject to certain conditions. The acquisition secures access to quality smolt for Phase 1 at Indre Harøy. Kraft Laks utilizes a similar production technology as Salmon Evolution's hybrid flow-through system (HFS), making Kraft Laks an ideal fit for Salmon Evolution.

On July 9, the Salmon Evolution share was transferred to the main list on Oslo Stock Exchange, opening new opportunities for funding of further growth.

Commenting on the development, CEO Håkon André Berg, said:

"The company is now putting a lot of focus and attention into planning for production start. During Q3 2021 several new employees were enrolled. The company will continue to retain highly qualified operating personnel also in Q4, ensuring a well functioning operating organization in place well

ahead of March 2022. In South Korea, the initial feasibility study was delivered in October and K Smart is now in the process of tuning the facility layout and production plans”.

In October 2021 Salmon Evolution entered a strategic partnership with feed producer Cargill. Cargill has committed to allocate significant resources and R&D capacity, with the purpose of developing sustainable feed solutions tailored to Salmon Evolution's operational targets. As part of the agreement, Cargill invested USD 5 million in Salmon Evolution through a private placement.

Outlook

Salmon Evolution is now only some four months away from releasing the first smolts into the fish tanks at Indre Harøy and the activity level at the construction site is at all-time high.

Salmon Evolution's success is dependent on the competence of the people in the organization. As part of the operational planning, Salmon Evolution is now in process of hiring day to day operating personnel. In this context, the Board is very pleased to observe that Salmon Evolution is regarded as an attractive employer and that the company is able to recruit tier 1 personnel across the entire organization.

The average Fish Pool salmon price in Q3 2021 was NOK 55.5/kg, compared to NOK 48.6/kg in Q3 2020. Total export of Atlantic salmon from Norway during the quarter increased 17% year over year. The solid price development in parallel with high volume growth is a good indicator on the underlying development in the salmon market and the development seen during the third quarter indicates that the market is well underway to recover from the challenges caused by Covid-19.

Salmon Evolution reiterates its view that land-based salmon farming will play a vital role in growing the overall salmon market. However, it will take time before meaningful volumes are brought forward, as lead times are long, capital intensity is high and access to competent and experienced personnel may become a bottleneck.

With all committed projects fully funded, the first smolt soon to enter the fish tanks, a solid organization and world leading partners across the value chain, the Board is of the opinion that Salmon Evolution is uniquely positioned to take a global frontrunner position in the future development of land-based salmon farming.

Results presentation

CEO Håkon André Berg and CFO Trond Håkon Schaug-Pettersen will present the results by webcast today, Tuesday November 16 at 08:00 a.m. CEST.

The presentation and subsequent Q&A will be held in English.

The presentation can be accessed at www.salmonevolution.no, or with the following link: <https://streams.eventcdn.net/salmonevolution/2021q3/>

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About Salmon Evolution

Salmon Evolution is a Norwegian land-based salmon farming company focused on extending the ocean's potential by transferring the best preconditions offered by the sea to farm fish on land through its hybrid flow-through system technology (HFS). This secures a truly sustainable production process with controlled and optimal growth conditions and limiting operational and biological risk.

The Company's first production facility is under construction at Indre Harøy, strategically located on the Norwegian west coast with unlimited access to fresh seawater, renewable energy, established infrastructure for salmon farming, and an educated and experienced work force. The entire project is designed for an annual capacity of approx. 31,500 tonnes HOG.

The Company has also entered into a joint venture with Dongwon Industries where the parties will develop, construct and operate a land-based salmon farming facility in South Korea with an annual production capacity of 16,800 tonnes HOG, using Salmon Evolution's HFS technology.

Salmon Evolution ASA is listed on Oslo Børs under the ticker SALME.

To learn more, please visit www.salmonevolution.no

This information is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.